GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:936
ANSWERED ON:27.07.2001
PRIVATE BANKS IN BIHAR
RAJO SINGH

Will the Minister of FINANCE be pleased to state:

(a) the number of private banks in Bihar;

(b) the details of the Scheduled Cooperative banks out of them;

(c) the details of proposals pending for opening a private bank in the State; and

(d) the norms followed for granting permission in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Reserve Bank of India (RBI) has reported that as on 31st March, 2001, six private sector banks are functioning in the State of Bihar.

(b): RBI has reported that one scheduled co-operative bank is functioning in the State of Bihar.

(c): RBI has reported that no proposal for opening a private bank in the State of Bihar is pending.

(d): RBI have issued revised guidelines in January, 2001 on the entry of new banks in the private sector. These guidelines, inter-alia, prescribe that the initial minimum paid up capital of new bank shall be Rs.200 crores, which shall be increased to Rs.300 crore in the subsequent three years after commencement of business. These guidelines however, stipulate that the new bank should not be promoted by a large industrial house. However, individual companies, directly or indirectly connected with large industrial houses, may be permitted to participate in the equity of new private sector bank up to a maximum of 10 percent of the paid up capital, but will not have controlling interest in the bank. These guidelines also stipulate the criteria for conversion of Non-Banking Financial Companies (NBFCs) into private sector banks.